



The Fresno Bee

State Must Build High-Speed Rail

By Gov. Arnold Schwarzenegger

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As the recent Bay Area freeway collapse illustrated -- and as a recent Bee editorial correctly pointed out -- Californians need and deserve a diverse array of transportation options. I absolutely believe high-speed rail should be one of those alternatives.

A network of high-speed rail lines connecting cities throughout California would be a tremendous benefit to our state.

Not only would its construction bring economic development and the creation of hundreds of thousands of new jobs, but once completed, we would also see improvements to our air quality, reductions in greenhouse gas emissions, congestion relief on our highways and greater mobility for people living in the Valley and other areas of our state currently underserved by other forms of transportation.

Yet it's been more than 10 years, and the state has already spent more than \$40 million in initial planning for the rail line. But there is still no comprehensive and credible plan for financing the system so we can get construction under way.

The High-Speed Rail Authority, the commission in charge of developing a plan for high speed rail in California, estimates the cost of building the system to be more than \$40 billion.

Yet so far, the only financing party identified with specificity is the state, which the Authority proposes float a \$9.95 billion bond. The remaining 75% of the project cost, or more than \$30 billion, has yet to be identified with any specificity or confidence.

Before asking taxpayers to approve spending nearly \$10 billion plus interest, it is reasonable to expect the authority and its advisers to identify with confidence where we will find the remaining \$30 billion.

A perfect example of what I'm talking about is my \$5.9 billion water infrastructure package. By using a public-private partnership approach, we've identified a plan that lays out exactly how we are going to pay for every piece of the proposal, from the reservoirs to the groundwater storage to fixing the Delta to our conservation efforts.

For the reservoir portion, the estimated building cost is \$4 billion. We've proposed \$2 billion in general obligation bonds for the public portion and \$2 billion in lease revenue bonds to be paid for by the water users themselves, i.e. water agencies, irrigation districts, cities, etc. And to ensure that this funding materializes, we are requiring that contracts be in place to pay for the lease revenue bonds before public dollars are spent on the projects.

Identifying the exact funding sources for large transportation projects is more problematic, which is why we need the authority to come up with a well-thought out financing proposal before moving forward.

I want to commend the authority for its great progress so far in completing the necessary environmental studies and identifying future rights-of-way that we would need to acquire.

Yet even the authority's executive director, Mehdi Morshed, says the longer the state waits to build a high-speed rail network, the more expensive it will get. I could not agree more.

That's why I have directed my recent appointees to work with the authority and its financial advisers to develop a comprehensive plan for financing the project in its entirety, so we can make high-speed rail a reality in California once and for all.

Last year, my administration increased funds for the authority to continue its work, and this year, my budget proposes additional funding.

I am willing to explore multiple approaches in order to fund the balance and execute this project -- whether through federal grants, local participation, vendor support, co-development opportunities, public-private partnerships or any other realistic financing plans in which the authority expresses confidence.

I look forward to working with the authority and reviewing its proposal as soon as possible.

But let me be clear: I strongly support high-speed rail for California, and especially for the San Joaquin Valley. Increasing the Valley's transportation options, especially after voters passed Proposition 1B to repair Highway 99, would better serve the region's growing population and enhance the Valley's critical importance to our state's economy.

The promise of high-speed rail is incredible. Looking forward to the kind of California we want to build 20 and 30 years from now, a network of ultra-fast rail lines whisking people from one end of the state to the other is a viable and important transportation alternative and would be a great benefit to us all.

With a responsible plan in place, we can feel secure in delivering high-speed rail and bringing greater opportunity -- and a brighter future -- to all Californians.

Arnold Schwarzenegger is the governor of California.